

HOUSE BILL 21-1050

BY REPRESENTATIVE(S) Gray and Van Winkle, Bird, Duran, Exum, Lontine, Michaelson Jenet, Ortiz, Sullivan, Weissman, Young; also SENATOR(S) Bridges and Cooke, Hansen, Lee, Moreno, Winter.

CONCERNING THE "WORKERS' COMPENSATION ACT OF COLORADO", AND, IN CONNECTION THEREWITH, MAKING CHANGES THAT AFFECT THE TIMELY PAYMENT OF BENEFITS, GUARDIAN AD LITEM AND CONSERVATOR SERVICES, BENEFIT OFFSETS RELATED TO THE RECEIPT OF FEDERAL DISABILITY OR RETIREMENT BENEFITS, THE REDUCTION OF BENEFITS BASED ON APPORTIONMENT, THE SELECTION OF INDEPENDENT MEDICAL EXAMINERS, LIMITS ON TEMPORARY DISABILITY AND PERMANENT PARTIAL DISABILITY PAYMENTS, THE WITHDRAWAL OF ADMISSIONS OF LIABILITY, MILEAGE EXPENSE REIMBURSEMENT, THE AUTHORITY OF PREHEARING ADMINISTRATIVE LAW JUDGES, THE REOPENING OF PERMANENT TOTAL DISABILITY AWARDS, AND PETITIONS FOR REVIEW AND APPEALS OF ORDERS.

Be it enacted by the General Assembly of the State of Colorado:

SECTION 1. In Colorado Revised Statutes, 8-42-101, amend (1)(a); and add (7) as follows:

Capital letters or bold & italic numbers indicate new material added to existing law; dashes through words or numbers indicate deletions from existing law and such material is not part of the act.

- 8-42-101. Employer must furnish medical aid approval of plan fee schedule contracting for treatment no recovery from employee medical treatment guidelines accreditation of physicians and other medical providers rules repeal. (1) (a) (I) Every employer, regardless of said THE employer's method of insurance, shall furnish such medical, surgical, dental, nursing, and hospital treatment; medical, hospital, and surgical supplies; crutches; and apparatus; AND GUARDIAN AD LITEM OR CONSERVATOR SERVICES as may reasonably be needed at the time of the injury or occupational disease and thereafter during the disability to cure and relieve the employee from the effects of the injury.
- (II) AN EMPLOYER OR AN EMPLOYER'S INSURER THAT IS REQUIRED TO FURNISH GUARDIAN AD LITEM OR CONSERVATOR SERVICES PURSUANT TO THIS SUBSECTION (1)(a) SHALL PAY AN AMOUNT SET IN A FEE SCHEDULE ESTABLISHED BY THE DIRECTOR BY RULE. THE DIRECTOR SHALL INCLUDE IN THE FEE SCHEDULE:
- (A) REASONABLE ATTORNEY FEES AND COSTS TO APPOINT A GUARDIAN AD LITEM OR CONSERVATOR THROUGH THE APPROPRIATE PROBATE COURT FOR AN EMPLOYEE WHO IS LEGALLY INCAPACITATED AS THE RESULT OF A WORK-RELATED INJURY OR OCCUPATIONAL DISEASE; AND
- (B) REASONABLE FEES AND COSTS OF A GUARDIAN AD LITEM OR CONSERVATOR APPOINTED FOR AN EMPLOYEE FOR SERVICES THAT ARE REASONABLY NECESSARY AS A RESULT OF THE WORK-RELATED INJURY OR OCCUPATIONAL DISEASE.
- (7) A CLAIMANT MUST SUBMIT A REQUEST FOR MILEAGE EXPENSE REIMBURSEMENT FOR TRAVEL REASONABLY NECESSARY AND RELATED TO OBTAINING COMPENSABLE TREATMENT, SUPPLIES, OR SERVICES SPECIFIED IN SUBSECTION (1)(a) OF THIS SECTION TO THE EMPLOYER OR, IF INSURED, TO THE EMPLOYER'S INSURER NO LATER THAN ONE HUNDRED TWENTY DAYS AFTER THE DATE THE EXPENSE IS INCURRED UNLESS GOOD CAUSE FOR A LATER SUBMISSION IS SHOWN. GOOD CAUSE INCLUDES A FAILURE BY THE EMPLOYER OR EMPLOYER'S INSURER TO PROVIDE THE NOTICE IN THE BROCHURE REQUIRED BY SECTION 8-43-203 (3)(c)(IV). WITHIN THIRTY DAYS AFTER THE DATE THE CLAIMANT SUBMITS THE REQUEST FOR MILEAGE EXPENSE REIMBURSEMENT, THE EMPLOYER OR EMPLOYER'S INSURER SHALL PAY THE MILEAGE EXPENSES OR, IF DENYING THE REQUEST, PROVIDE WRITTEN NOTICE TO THE CLAIMANT STATING THE REASON THE REQUEST WAS

DENIED.

- **SECTION 2.** In Colorado Revised Statutes, 8-42-103, add (1)(c)(V) as follows:
- 8-42-103. Disability indemnity payable as wages period of disability. (1) If the injury or occupational disease causes disability, a disability indemnity shall be payable as wages pursuant to section 8-42-105 (2)(a) subject to the following limitations:
- (c) (V) The reductions or offsets in this subsection (1)(c) APPLY ONLY IF THE EMPLOYEE WAS NOT RECEIVING THE PERIODIC DISABILITY BENEFITS OR RETIREMENT BENEFITS GRANTED BY THE FEDERAL "OLD-AGE, SURVIVORS, AND DISABILITY INSURANCE AMENDMENTS OF 1965", PUB.L. 89-97, AS AMENDED, OR EMPLOYER-PAID RETIREMENT BENEFITS AT THE TIME OF THE WORK-RELATED INJURY.
- **SECTION 3.** In Colorado Revised Statutes, 8-42-104, **amend** (3), (4), and (5) introductory portion; and **add** (7) as follows:
- **8-42-104.** Effect of previous injury or compensation. (3) An employee's temporary total disability, temporary partial disability, or medical benefits shall not be reduced based on a previous injury APPORTIONMENT UNDER ANY CIRCUMSTANCES. THIS SUBSECTION (3) SUPERCEDES THE COLORADO COURT OF APPEALS DECISIONS IN *HUTCHISON V. INDUSTRIAL CLAIM APPEALS OFFICE OF COLORADO*, 405 P.3d 458 (COLO. APP. 2017) AND *DUNCAN V. INDUSTRIAL CLAIM APPEALS OFFICE OF COLORADO*, 107 P.3d 999 (COLO. APP. 2004).
- (4) An employee's recovery of permanent total disability shall not be reduced when the disability is the result of A work-related injury or A work-related injury combined with genetic, congenital, or similar conditions; BODY HABITUS; OR FAMILY HISTORY; except that this subsection (4) shall DOEs not apply to reductions in recovery or apportionments allowed pursuant to the Colorado supreme court's decision in the case denominated *Anderson v. Brinkhoff*, 859 P.2d 819 (Colo. 1993).
- (5) In cases of permanent medical impairment, the employee's award or settlement shall NOT be reduced EXCEPT:

- (7) FOR THE PURPOSES OF SUBSECTIONS (4) AND (5) OF THIS SECTION, THE EMPLOYER OR, IF THE EMPLOYER IS INSURED, THE EMPLOYER'S INSURER HAS THE BURDEN OF PROOF, BY A PREPONDERANCE OF THE EVIDENCE, AT ANY HEARING REGARDING APPORTIONMENT THAT MAY RESULT IN A REDUCTION OF BENEFITS TO AN EMPLOYEE UNDER THIS SECTION.
- **SECTION 4.** In Colorado Revised Statutes, 8-42-107, amend (8)(b)(II)(B), (8)(b)(II)(C), and (8)(b)(II)(D); and add (8)(b)(II)(E) as follows:
- 8-42-107. Permanent partial disability benefits schedule medical impairment benefits how determined. (8) Medical impairment benefits determination of MMI for scheduled and nonscheduled injuries. (b) (II) If either party disputes a determination by an authorized treating physician on the question of whether the injured worker has or has not reached maximum medical improvement, an independent medical examiner may be selected in accordance with section 8-42-107.2; except that, if an authorized treating physician has not determined that the employee has reached maximum medical improvement, the employer or insurer may only request the selection of an independent medical examiner if all of the following conditions are met:
- (B) A party has requested in writing that an authorized treating physician determine whether the employee has reached maximum medical improvement AND HAS PROVIDED THE AUTHORIZED TREATING PHYSICIAN WITH THE WRITTEN REPORT REQUIRED BY SUBSECTION (8)(b)(II)(E) OF THIS SECTION;
- (C) Such THE authorized treating physician has not determined that the employee has reached maximum medical improvement; and
- (D) A physician other than such THE authorized treating physician has EXAMINED THE EMPLOYEE AT LEAST TWENTY MONTHS AFTER THE DATE OF THE INJURY AND determined that the employee has reached maximum medical improvement; AND
- (E) The requesting party has provided the authorized treating physician and all other parties with a written report from the physician who has examined the employee pursuant to subsection (8)(b)(II)(D) of this section, indicating that the

EXAMINING PHYSICIAN HAS DETERMINED THAT THE EMPLOYEE HAS REACHED MAXIMUM MEDICAL IMPROVEMENT, AND THE AUTHORIZED TREATING PHYSICIAN HAS RESPONDED IN WRITING TO ALL THE PARTIES THAT THE EMPLOYEE HAS NOT REACHED MAXIMUM MEDICAL IMPROVEMENT OR HAS FAILED TO RESPOND IN WRITING TO ALL PARTIES WITHIN FIFTEEN CALENDAR DAYS AFTER THE SERVICE OF THE WRITTEN REPORT.

SECTION 5. In Colorado Revised Statutes, **amend** 8-42-107.5 as follows:

- 8-42-107.5. Limits on temporary disability payments and permanent partial disability payments. (1) No A claimant whose impairment rating is twenty-five NINETEEN percent or less may NOT receive more than seventy-five thousand dollars from combined temporary disability payments and permanent partial disability payments. No A claimant whose impairment rating is greater than twenty-five NINETEEN percent may NOT receive more than one hundred fifty thousand dollars from combined temporary disability payments and permanent partial disability payments.
- (2) For the purposes of this section, any mental impairment rating shall be combined with the physical impairment rating to establish a claimant's impairment rating for determining the applicable cap. For injuries sustained on and after January 1, 2012, the director shall adjust these limits on the amount of compensation for combined temporary disability payments and permanent partial disability payments on July 1, 2011, and each July 1 thereafter, by the percentage of THE adjustment made by the director to the state average weekly wage pursuant to section 8-47-106.

SECTION 6. In Colorado Revised Statutes, **add** 8-42-126 as follows:

8-42-126. Monetary benefits and penalties - timely payment - determination of date deemed paid. For the purposes of articles 40 to 47 of this title 8, rules promulgated pursuant to articles 40 to 47 of this title 8, and any orders of the division and office of administrative courts in the department of personnel, monetary benefits or penalties required to be paid to an injured worker are deemed paid on the date the payment is received by or delivered to the intended payee; except that payment delivery attempted

THROUGH THE UNITED STATES POSTAL SERVICE IS DEEMED PAID THREE DAYS AFTER THE DATE OF THE POSTMARK IF THE PAYMENT IS ADDRESSED TO THE PAYEE'S LAST-KNOWN ADDRESS REPORTED TO THE DIVISION AND POSTMARKED AT LEAST THREE BUSINESS DAYS BEFORE THE DATE THE PAYMENT IS DUE.

SECTION 7. In Colorado Revised Statutes, 8-43-203, amend (3) introductory portion and (3)(c)(IV); and add (1)(c) as follows:

- 8-43-203. Notice concerning liability notice to claimants notice of rights and claims process rules. (1) (c) The employer or, if insured, the employer's insurance carrier may not withdraw an initial admission of liability on the issue of compensability filed pursuant to this subsection (1) if two years or more have elapsed since the date the initial admission of liability was filed with the division, except in cases of fraud.
- (3) In addition to any other notice required by this section, at the time that the employer or, if insured, the employer's insurance carrier provides the notice required by subsection (1) of this section, the employer or insurance carrier shall provide to the claimant a brochure written in easily understood language, in a form developed by the director after consultation with employers, insurance carriers, and representatives of injured workers, describing the claims process and informing the claimant of his or her THE CLAIMANT'S rights. If the claimant has previously authorized the employer or, if insured, the employer's insurance carrier to communicate with the claimant through electronic transmission, the brochure may be sent to the claimant electronically. The brochure shall, at a minimum, contain the following information:
- (c) A description of the claimant's right to receive benefit payments, including the claimant's right to receive:
- (IV) Mileage expenses EXPENSE REIMBURSEMENT for travel to and from work-related medical care and to and from pharmacies to obtain medical prescriptions for work-related medical care. The Description of the Right to receive Mileage expense reimbursement must include information concerning the claimant's requirement to submit a request for reimbursement to the employer or employer's insurance carrier no later than one hundred twenty days after

THE EXPENSE IS INCURRED PURSUANT TO SECTION 8-42-101 (7) AND AN EXAMPLE OF A MILEAGE REIMBURSEMENT FORM.

SECTION 8. In Colorado Revised Statutes, 8-43-207, add (2) as follows:

8-43-207. Hearings. (2) Notwithstanding any other provision of this article 43, neither the director nor an administrative law judge shall determine the issues of the compensability of a claim or the liability of any party to a claim unless specific benefits or penalties are awarded or denied contemporaneously with the determination.

SECTION 9. In Colorado Revised Statutes, 8-43-207.5, amend (1) and (2) as follows:

- 8-43-207.5. Prehearing conferences. (1) Notwithstanding any provision of articles 40 to 47 of this title TITLE 8 to the contrary, at any time not less than ten days prior to the formal adjudication on the record of any issue before the director or an administrative law judge in the office of administrative courts IN THE DEPARTMENT OF PERSONNEL, any party to a claim may request a prehearing conference before a prehearing administrative law judge in the division of workers' compensation for the speedy resolution of or simplification of any issues and to determine the general readiness of remaining issues for formal adjudication on the record. The issues addressed in such THE prehearing conference shall be limited to: Ripeness of legal, but not factual, issues for formal adjudication on the record before the director or an administrative law judge in the office of administrative courts; discovery matters; and evidentiary disputes MAY INCLUDE ANY ISSUES PROPERLY WITHIN THE AUTHORITY OF A PREHEARING ADMINISTRATIVE LAW JUDGE PURSUANT TO SUBSECTION (2) OF THIS SECTION. The filing of an application for hearing with the office of administrative courts shall in the department of personnel is not be a prerequisite to a request for a prehearing conference under this section. The director and the administrative law judges in the office of administrative courts IN THE DEPARTMENT OF PERSONNEL may also request a prehearing conference under this section.
- (2) (a) "Prehearing administrative law judge" means a qualified person appointed by the director pursuant to section 8-47-101 to preside

over prehearing conferences pursuant to this section, to approve settlements pursuant to section 8-43-204, to conduct settlement conferences pursuant to section 8-43-206, and to conduct arbitrations pursuant to section 8-43-206.5. Such

- (b) Prehearing administrative law judges shall have authority to Order any party to participate in a prehearing conference; issue interlocutory orders; issue subpoenas in the name of the division for production of documentary evidence which shall be served in the same manner as subpoenas in the district court; make evidentiary rulings; permit parties to cause depositions to be taken; determine the competency of any party to a claim to enter into a settlement agreement; and strike the application for hearing of a party for failure to comply with any provision of this section. APPROVE ANY STIPULATIONS OF THE PARTIES AND ISSUE INTERLOCUTORY ORDERS REGARDING PROCEDURAL MATTERS. PROCEDURAL MATTERS INCLUDE:
- (I) ISSUING SUBPOENAS FOR WITNESSES AND DOCUMENTARY EVIDENCE THAT MUST BE SERVED IN THE SAME MANNER AS SUBPOENAS SERVED IN DISTRICT COURT;
 - (II) RESOLVING PREHEARING EVIDENTIARY DISPUTES;
 - (III) DETERMINING IF DEPOSITIONS MUST BE TAKEN;
- (IV) RULING ON THE IMPOSITION OF SANCTIONS FOR DISCOVERY DISPUTES PROVIDED IN THE COLORADO RULES OF CIVIL PROCEDURE, EXCEPT RULE 107;
- (V) GRANTING OR DENYING REQUESTS FOR EXTENSIONS OF TIME FOR TAKING ANY ACTION SPECIFIED IN THIS ARTICLE 43;
- (VI) RESOLVING DISPUTES REGARDING DISCOVERY, INCLUDING PERMISSION TO ENGAGE IN DISCOVERY WITH A SELF-REPRESENTED PARTY;
- (VII) APPOINTING GUARDIANS AD LITEM AND CONSERVATORS, AS APPROPRIATE, AND ASSESSING THE REASONABLE FEES AND COSTS FOR ANY APPOINTMENTS FROM ONE OR MORE OF THE PARTIES;
- (VIII) DETERMINING THE RIPENESS OF LEGAL ISSUES FOR FORMAL PAGE 8-HOUSE BILL 21-1050

ADJUDICATION; AND

(IX) DETERMINING THE COMPETENCY OF ANY PARTY TO A CLAIM TO ENTER INTO SETTLEMENT AGREEMENTS.

SECTION 10. In Colorado Revised Statutes, 8-43-301, amend (2) as follows:

- 8-43-301. Petitions to review. (2) (a) (I) Any IF A party IS dissatisfied with an order that DETERMINES COMPENSABILITY OF A CLAIM OR LIABILITY OF ANY PARTY, THAT requires any party to pay a penalty or benefits, or THAT denies a claimant any benefit or penalty, THE PARTY may file a petition to review with the division, THE ORDER. If the order was entered by the director, or THE PARTY MUST FILE THE PETITION WITH THE DIVISION. IF THE ORDER WAS ENTERED BY AN ADMINISTRATIVE LAW JUDGE, THE PARTY MUST FILE THE PETITION at the Denver office of the office of administrative courts in the department of personnel. if the order was entered by an administrative law judge, and THE PARTY MUST serve the same PETITION TO REVIEW by REGULAR OR ELECTRONIC mail on all the parties.
- (II) The PARTY MUST FILE THE petition shall be filed TO REVIEW within twenty days after the date of the certificate of mailing of the order, and, unless so TIMELY filed, the order shall be IS final.
- (b) A DISSATISFIED PARTY MAY FILE the petition to review may be filed by REGULAR OR ELECTRONIC mail, and shall be THE PETITION IS deemed filed upon the date of mailing, as determined by the certificate of mailing, if the certificate of mailing indicates that the petition to review was mailed to the division or to the Denver office of the office of administrative courts in the department of personnel, as appropriate. The petition to review shall MUST be in writing and shall MUST set forth in detail the particular errors and objections of the petitioner. A petitioner shall MUST, at the same time OF FILING THE PETITION, order any transcript relied upon for the petition to review, arrange with the hearing reporter to pay for the same TRANSCRIPT, and notify opposing parties of the transcript ordered. Opposing parties shall have twenty days after the date of the certificate of mailing of the petition to review to MUST order any other transcript not ordered by the petitioner and arrange with the hearing reporter to pay for the same OTHER TRANSCRIPT WITHIN TWENTY DAYS AFTER THE DATE OF THE CERTIFICATE OF

MAILING OF THE PETITION TO REVIEW THE ORDER.

SECTION 11. In Colorado Revised Statutes, 8-43-303, amend (3) as follows:

- Reopening. (3) (a) In cases where a claimant is 8-43-303. determined to be permanently totally disabled, any such case WHEN A CLAIMANT HAS BEEN AWARDED PERMANENT TOTAL DISABILITY BENEFITS, THE AWARD may be reopened at any time to determine if the claimant has returned to employment. If the claimant has returned to employment and is earning HAS EARNED in excess of four SEVEN thousand FIVE HUNDRED dollars per year or has participated in activities which THAT indicate that the claimant has the ability to return to employment such AND EARN IN EXCESS OF SEVEN THOUSAND FIVE HUNDRED DOLLARS IN A YEAR, THE claimant's permanent total disability award shall cease and the claimant shall is not be entitled to further permanent total disability benefits as a result of the injury or occupational disease which THAT led to the original permanent total disability award. Any subsequent permanent partial disability benefits awarded for the same injury or occupational disease shall be decreased by the amount of permanent total disability benefits previously received by the employee.
- (b) On July 1, 2022, and each July 1 thereafter, for injuries sustained on or after January 1, 2022, the director shall adjust the amount of earnings required for ceasing permanent total disability by the percentage of the adjustment made by the director to the state average weekly wage pursuant to section 8-47-106.

SECTION 12. In Colorado Revised Statutes, 8-43-307, amend (1) as follows:

8-43-307. Appeals to court of appeals. (1) The final order of the director or the panel shall constitute CONSTITUTES the final order of the division. Any IF A person in interest, including Pinnacol Assurance, being IS dissatisfied with any final order of the division THAT DETERMINES COMPENSABILITY OF A CLAIM OR LIABILITY OF ANY PARTY, THAT REQUIRES ANY PARTY TO PAY A PENALTY OR BENEFITS, OR THAT DENIES A CLAIMANT ANY BENEFIT OR PENALTY, THE PERSON may commence an action in the court of appeals against the industrial claim appeals office as defendant to

modify or vacate any such THE order on the grounds set forth in section 8-43-308.

- **SECTION 13.** Act subject to petition effective date applicability. (1) This act takes effect at 12:01 a.m. on the day following the expiration of the ninety-day period after final adjournment of the general assembly; except that, if a referendum petition is filed pursuant to section 1 (3) of article V of the state constitution against this act or an item, section, or part of this act within such period, then the act, item, section, or part will not take effect unless approved by the people at the general election to be held in November 2022 and, in such case, will take effect on the date of the official declaration of the vote thereon by the governor.
- (2) (a) Sections 4, 6, 8, 9, 10, and 12; section 8-42-101 (7), Colorado Revised Statutes, in section 1; and section 8-43-203 (3)(c)(IV), Colorado Revised Statutes, in section 7 of this act apply to workers' compensation claims pending or filed on or after the applicable effective date of this act.
- (b) Section 8-42-104 (4), (5) introductory portion, and (7), Colorado Revised Statutes, in section 3 of this act apply to applications for hearings regarding apportionment filed on or after the applicable effective date of this act.
- (c) Section 8-43-203 (1)(c), Colorado Revised Statutes, in section 7 of this act applies to initial admissions of liability on the issue of compensability filed on or after the applicable effective date of this act.
- (d) Sections 2, 5, and 11; section 8-42-101 (1)(a), Colorado Revised Statutes, in section 1; and section 8-42-104 (3), Colorado Revised Statutes,

in section 3 of this act apply to injuries occurring on or after the applicable effective date of this act.

Alec Garnett

SPEAKER OF THE HOUSE

OF REPRESENTATIVES

Leroy M. Garcia PRESIDENT OF

THE SENATE

Robin Jones

CHIEF CLERK OF THE HOUSE

OF REPRESENTATIVES

Circle of Markwell

Cindi L. Markwell SECRETARY OF

THE SENATE

approved JUNE

30

2021

at 3:15

(Date and Time)

Jared S. Polis

GOVERNOR OF THE STATE OF COLORADO